

## Improvements to Voluntary Disclosure Project

This chart records responses from Nexus Committee members to the three questions presented. All Nexus Committee members received a request to answer these questions as part of the strategic-planning project to improve voluntary disclosure. Answers are verbatim except when the respondent provided no meaningful data e.g., nothing doesn't work well for our state.

Responses as of 3 March 2015

STATE	Q: What about the multistate voluntary disclosure process works well for your state?	Q: What doesn't work well for your state?	Q: Have you had feedback from taxpayers or practitioners about the voluntary disclosure process, and if so, what were their comments?
TN (Joan Cagle)	Since requests are emailed directly by the person at MTC handling the case, we can request additional information or ask any questions to that person.	<p>1. The language and structure of the MTC agreements are much different than our voluntary disclosure agreements.</p> <p>2. Also, occasionally , specific language is added for an individual taxpayer. This means that each agreement has to reviewed in more detail and takes longer to approve.</p>	NO FEEDBACK
KY (Marcia Oakman)	Email communication with MTC representatives. The ability to send documents via email.	NOTHING	NO FEEDBACK
MT (Melissa Kopp)	The current process works very well for Montana. The communication from the MTC is professional and timely – any questions or counter-offers we have get responses very quickly. The process runs very smoothly for us.	It would be helpful if the NNP's staff could disclose to the states more clearly any changes to the standard agreement. If they could, for example, state the changes to the standard language in the initial email or a separate document rather than just include the changes in the agreement. This would help to more easily identify specific requests from taxpayers coming forward.	NO FEEDBACK
UT (Julie Goins)	The questionnaire the companies fill out works well.	What doesn't work? Addressing all applicable tax types.	NO FEEDBACK

<p>OK (Marjorie Welch)</p>	<p>The initial contact through email works well as do amended agreements pursuant to a counter offer.</p>	<p>1. There tends to be significant delay between OK's counteroffer and a response. I frequently get requests from MTC personnel for updates after a counter-offer has been sent. It appears that the personnel is unaware of the counteroffer.</p> <p>2. The information provided by MTC from the Taxpayer pursuant to the vda is often incomplete, i.e. agreed to returns not included or delivery information missing from sales/use tax spreadsheets. Does MTC verify that the Taxpayer has complied with the requirements of the agreement?</p> <p>3. Finally, it would be most helpful if the Taxpayer submitted a check for each return as sometimes a return can be processed with the payment immediately while another return needs additional information prior to processing.</p>	<p>NO FEEDBACK</p>
<p>AL (Christy Vandevender)</p>	<p>1. Comprehensiveness of the Application.</p> <p>2. Certification of taxpayers by the MTC.</p>	<p>1. Taxpayer representative contact information is not always provided. Consider making it mandatory.</p> <p>2. Taxpayers often do not submit the correct returns and/or registration, even though an itemized checklist has been provided.</p>	<p>NO FEEDBACK</p>
<p>NH (Kathleen Sher)</p>	<p>Contact through email, bringing businesses in compliance and pointing out in the email and highlighting when there are any changes or unusually acceptations requested by the taxpayer.</p>	<p>1. There was one instance that the taxpayer did not think they were going to be charged interest. The question was sent to me to respond to. It should be pretty clear in the agreement that interest is charged, unless there is an unusual exception, and the MTC should be able to respond to those questions.</p> <p>2. Also, it would be nice if the taxpayer could calculate and pay the interest with the original return filed.</p>	<p>NO FEEDBACK</p>

<p>MN (Jeff Vogt)</p>	<p>Less Nexus investigations for us and more tp's filing.</p>	<p>1. The delayed response has been the main issue, because the application doesn't have all the information we need to make a determination if we'd like to enter into an agreement, so we pretty much always have to do some follow up.</p> <p>2. There are a couple other things that would help us particularly – and it would mean less follow up with MTC –an estimate of how many years the issue existed, number of workers/employees affected, an explanation of how the estimate was calculated, and confirmation the taxpayer has since corrected its behaviors (there's a gap of time between the application and completion of the VDA, so making sure we're resolving all periods).</p>	<p>NO FEEDBACK</p>
<p>MO (Todd Iveson)</p>	<p>The fact that the request has already been reviewed and a determination on filing requirements has been made allows an MTC agreement to be processed very quickly. MTC has already asked all the necessary questions of the taxpayer and prepared the agreement.</p>	<p>The MTC agreement states the required documentation to complete the process but taxpayers do not follow those guidelines and then we must contact the taxpayer and request the missing information. At times we have received signed documents and or checks that are 3 to 6 months old.</p>	
<p>ID (Randy Tilley)</p>	<p>1. Agreement Forms – Only required forms needed are the State Signature page and the Response Form with the three options; accept, reject, or counter-offer.</p> <p>2. Being able to send all required information via email.</p>	<p>When the signed agreement and the returns are submitted at the same time. This process doesn't give us a chance to get the customer registered and post payments when received. If we don't receive the signed agreement first the penalty is imposed and a bill sent; we then have to abate the penalty and adjust interest to agree with the VDA agreement.</p>	<p>Received a question from one taxpayer on whether we would approve a VDA request independently because MTC wouldn't take a VDA request smaller than \$500.</p>

<p>OR (Christi Daniken)</p>	<p>1. We get entities to file without going through the enforcement process.</p> <p>2. We participate in a program that is to make the compliance easier for the customer.</p> <p>3. We support the MTC representative providing the Applicant a contact person and direct number for Oregon to answer questions. This supports the positive feedback from the taxpayer rep.</p>	<p>1. When the signed agreement and the returns are submitted at the same time. This process doesn't give us a chance to get the customer registered and post payments when received. If we don't receive the signed agreement first the penalty is imposed and a bill sent; we then have to abate the penalty and adjust interest to agree with the VDA agreement.</p> <p>2. The process takes too long. It is our observation that if we need to have something changed in the agreement it extends the process in addition to a long process already.</p> <p>3. We would like to have different contact persons in Oregon depending on who the VDA is assigned to. We have different people in different programs handling VDAs.</p>	<p>1. Txp glad to be able to talk to Dep't of revenue employee to get answers to questions related to completing the returns. (they are provided a direct contact not a 1-800 number).</p> <p>2. They were happy to talk with the state that tracked the information and that the state responded quickly to their request. (timely responses from Oregon).</p>
<p>ND (Matt Peyerl)</p>	<p>The MTC's questionnaire is very clear about with tax types the VDA would cover.</p>	<p>1. Since the state has no taxpayer contact person, we contact the MTC with any questions about the VDA, but responses are not always received.</p> <p>2. Being a smaller state, the vast majority of VDA cases we get through the MTC's VDA process are for very small dollar amounts.</p>	<p>NO FEEDBACK</p>
<p>NC (Lennie Collins)</p>	<p>It provides another mechanism for taxpayers to get in compliance for delinquent tax schedules.</p>	<p>Agreements issued for sales and use typically arrive to the State having at least one month sales/use tax still due. This is due to the delay in the state receiving the information. When MTC receives the information, the periods provided are probably all that is due at the time. By the time the State receives the information, time has elapsed and another period is now delinquent. Due to this delay, it would be helpful to make sure we have the contact information to obtain the additional period(s).</p>	<p>NO FEEDBACK</p>
<p>CO (Misgana Tesfaye)</p>	<p>We have no major problems with the way the system currently works.</p>	<p>It would be nice to be given an Excel version of any spreadsheets and to always be given a contact name and phone number from the business when the signed agreement is returned so we have someone to call if we have questions. If instead the contact is their accountant, CPA, etc, we also need a POA.</p>	<p>NO FEEDBACK</p>

